

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

**MARK E. FELGER (MF9985)**  
**JERROLD N. POSLUSNY, JR. (JP7140)**  
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Proposed Attorneys for the Debtors

In re:

SHAPES/ARCH HOLDINGS L.L.C., et al.,

Debtors.

Case No. 08-

Judge:

Chapter: 11

Recommended Local Form:

☒ Followed

☐ Modified

**APPLICATION FOR RETENTION OF PHOENIX MANAGEMENT SERVICES, INC.,  
AS RESTRUCTURING ADVISORS FOR THE DEBTORS**

1. The applicants, Shapes/Arch Holdings L.L.C. ("Shapes/Arch"), Shapes L.L.C. ("Shapes"), Delair L.L.C. ("Delair"), Accu-Weld L.L.C. ("Accu-Weld") and Ultra L.L.C. ("Ultra", and with Shapes/Arch, Shapes, Delair and Accu-Weld, collectively, the "Debtors"), by and through Steven Grabell, CEO of Shapes/Arch and Shapes, are the

☐ Trustee:

☐ Chap. 7

☐ Chap. 11

☐ Chap. 13

☒ Debtors:

☒ Chap. 11

☐ Chap. 13

☐ Official Committee of \_\_\_\_\_

2. The Applicants seek to retain the following professional, Phoenix Management Services, Inc. ("Phoenix"), to serve as:

☐ Attorney for:

☐ Trustee

☐ Debtors-in-Possession

☐ Official Committee of \_\_\_\_\_

☐ Accountant for:

☐ Trustee

☐ Debtor-in-Possession

☐ Official Committee of \_\_\_\_\_

☒ Other Professional:

☐ Realtor ☐ Appraiser ☐ Special Counsel

☐ Auctioneer ☒ Other (specify): Debtors' Restructuring Advisors

3. The employment of the professional is necessary because: On this date, the Debtors filed their petitions for relief under Chapter 11, of the Bankruptcy Code. The Debtors believe that the retention of Phoenix, as their restructuring advisors, is necessary to enable the Debtors to execute faithfully their duties and responsibilities in these cases.

4. The professional has been selected because: of Phoenix's extensive experience in managing all aspects of the bankruptcy process for its clients throughout the United States.

5. The professional services to be rendered are as follows:

- (a) Provide assistance to the Debtors and their bankruptcy counsel in supplementing and/or amending the Chapter 11 Plan of Reorganization (the "Plan"), the Disclosure Statement, and Schedules and Statements of Financial Affairs ("SOFA") and providing other information in support thereof;
- (b) Maintain, roll forward and compare actual to projected results for the DIP Model and assist with the day-to-day calculation, management and reporting of the Company's cash requirements, over-advance position and availability during the bankruptcy;
- (c) Prepare a "Liquidation Analysis" to support the Plan and Disclosure Statement;
- (d) Assist or participate in the preparation of the "Feasibility Study" (financial projections) in conjunction with the Plan and Disclosure Statement;
- (e) Prepare for and provide testimony at any Chapter 11 hearings related to post-petition financing as requested by the Debtors;
- (f) Assist with the preparation of analysis and financial reporting required by the U.S. Bankruptcy Court, the Office of the U.S. Trustee, and, to the extent directed by the company, requests made by the Debtors' post-petition lenders and the official unsecured creditors committee (if any), including, Monthly Operating Reports ("MORs"), Schedules and SOFAs and exhibits to first day pleadings in particular;
- (g) Assist with the review of motions and analysis prepared by the Creditors Committee and other parties of interest.

- (h) Assist the Debtors in preparing for and making presentations at meetings with representatives of its secured and unsecured creditors;
- (i) Work with the Debtors' bankruptcy counsel to provide evidentiary support for and testimony in support of motions and other court matters;
- (j) Provide testimony in any Chapter 11 proceeding as needed;
- (k) Other duties as mutually agreed.

6. The proposed arrangement for compensation is as follows: Phoenix has requested and has received a retainer in the amount of \$125,000, to be applied to Court approved fees and expenses. Subject to Court approval, Phoenix will seek compensation based upon its customary hourly rates in effect from time to time as set forth below, plus reimbursement of actual, necessary expenses incurred by Phoenix. The employees and assistants who will be responsible for the representation of the Debtors and their current hourly rates are as follows:

Managing Directors	\$365/hr. - \$425/hr.
Directors	\$275/hr. - \$335/hr.
Vice Presidents	\$195/hr. - \$265/hr.
Senior Associates	\$205/hr.- \$245/hr.
Associates	\$150/hr. - \$195/hr.

These hourly rates are Phoenix's hourly rates for work of this nature and are subject to periodic adjustments to reflect economic and other conditions. Other employees employed by Phoenix may, from time to time, serve the Debtors in connection with these Chapter 11 Cases.

7. To the best of the applicants' knowledge, the professional's connection with the debtors, creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, is as follows:

☐ None

☒ Describe connection: Please see the Certification of Vincent J. Colistra submitted in support of this Application.

8. To the best of the applicant's knowledge, the professional (check all that apply):

☒ does not hold an adverse interest to the estate.

- ☒ does not represent an adverse interest to the estate.
- ☒ is a disinterested person under 11 U.S.C. § 101(14).
- ☒ does not represent or hold any interest adverse to the debtors or the estates with respect to the matter for which he/she will be retained under 11 U.S.C. § 327(e).
- ☒ Other; explain: From time to time, Phoenix may represent, or may have represented

the Debtors' account debtors, creditors or interest holders of the Debtors in matters unrelated either to the Debtors' cases or to those entities' transactions or dealings with the Debtors.

Phoenix has conducted a thorough conflict check and has determined that no conflict exists, as more fully described in the Certification of Vincent J. Colistra, submitted in support of this Application. In the event a potential conflict is discovered, this Application will be updated.

9. If the professional is an auctioneer, appraiser or realtor, the location and description of the property is as follows: N/A

WHEREFORE, the applicants respectfully request authorization to employ the professional to render services in accordance with this application, with compensation to be paid as an administrative expense in such amounts as the Court may hereafter determine and allow.

Date: March 16 2008

  
\_\_\_\_\_  
Signature of Applicant

Steven Grabell  
\_\_\_\_\_  
Name of Applicant